THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) and (b) These areas are already under exploration. At present, exploratory drilling of one well each is continuing in Kerala-Konkon (Cochin-High-I) and Bengal offshore (SM-M-I) Basins.

Simplifying rules for Small Scales Industries Sector

181. SHRI RAJNI RANJAN SAHU: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Central Government propose to simplify the rules and procedures guiding the small scale industries sector to facilitate their rapid growth; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) Simplification of rules and procedures for the Small Scale Industries Sector to facilitate its rapid growth is a continuing process. Government has announced number of simplifications in rules and procedures for helping the sector to avail of various facilities and concessions extended to it from time to time which include adoption of unified application form for advancing loans to small scale industries by banking institutions; facility to introduce margin money in States, simplification of procedure for availing of excise concessions under the Small Scale Exemption Scheme such as self assessment procedure for clearances upto Rs. 50 lakhs, restriction of excise inspection to maximum once a year for each small scale unit and treating mere postal acknowledgement of application for licence as an excise licence, etc.

Issue of letters of intent for setting up industries

182. SHRIMATI KRISHNA KAUL: Will the Minister of INDUSTRY be pleased to state:

(a) what is the number of letters of intent issued by Government during the years 1985, 1986 and so far in 1987 for setting up industries;

(b) what is the number of letters of intent issued during the same period for setting up industries in backward areas and in no-industry districts;

(c) the number of industries actually set-up;

(d) the reasons for which industries were not set up by people holding letters of intent;

(e) whether Government propose to hold an Inquiry to find out the number of fake entrepreneurs who seek letters of intent but do not set up industries; and

(f) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) Under the provisions of the I (D&R) Act, the following number of letters of intent have been granted during

the years 1985, 1986 and 1987 (upto Sept.) for setting up of industries:—

	Letters of Intent granted during		
	1985	1986	1987 (upto Sept.)
All-India Total	1457	1130	706
Share of Backward areas (including No-industry districts) .	774	621	372
Share of no-industry districts	114	94	49

(c) to (f) A letter of intent is granted with an initial validity period of one year. However, further extensions are also granted on adequate justification. After the entrepreneur fulfils the conditions of the letter of intent, the same is converted into an industrial licence. The initial validity period of an industrial licence is two years within which the entrepreneur is expected to commence commercial production. However, further extensions beyond the initial validity period of two years can also be granted by the admn. Ministry concerned on genuine grounds. Thus, it takes about three to four years for an industrial project to fructify. However, if the holder of the letter of intent/industrial licence fails to implement it within its validity period, the same is cancelled/revoked by the admn. Ministry concerned.

Out of the total 3293 letters of intent granted during 1985 to 1987 (upto sept.), 429 letters of intent have already been converted into industrial licences and another 214 letters of intent have been treated as lapsed by 30.9.87.

Proposals to raise industrial growth rate

183. SHRI CHITTA BASU: Will the Minister of INDUSTRY be pleased to refer to the answer to Unstarred Question 1620 given in the Rajya Sabha on the 10th August, 1987 and state:

(a) what are the specific steps taken to stimulate industrial production and growth; and

(b) whether Government have taken into account the impact of the recent wide-spread drought on the industrial growth?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) Government have, *inter alia*, taken several measures to stimulate industrial production/growth which include delicensing of 28 groups of industries and 82 bulk drugs and formulations, broad-banding of 33 industries, reendorsement of capacity with reference to minimum economic scales of operation, enlargement of Appendix-I industries, adoption of a simplified procedure for recognition of capacity arising out of modernisation/replacement/renovation of plant and machinery etc. Time limits have been prescribed for various clearances/approvals by Licensing Committee, Project Approval Board, Capital Goods Committee, Foreign Investment Board, etc. Powers have also been delegated to Administrative Ministries.

(b) Government are seized of the impact of recent drought on industrial sector. During 1987-88 a special programme of technological upgradation for selected capital goods industries has been launched. These